

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) The Number of income assesses as on 31.3.95 was 1.03 crores

(b) Yes, Sir.

(c) and (d). The simplification of income-tax law and procedure is a continuous process. However, in the recent past following major steps were taken to simplify the income tax process so that the revenue earned from income is increased :

- (1) A Presumptive Tax Scheme in respect of persons carrying on retails trade in goods, operating or hiring of taxis or other motor vehicles or engaged in any vocation has been introduced with effect from Assessment Year 1993-94
- (2) Special provisions for computing the income in the case of persons engaged in civil construction or plying goods, carriages have been introduced providing for an estimated method of assessment of income.
- (3) A new assessment procedure for search and seizure cases has been introduced so as to bring the event of search to its logical conclusion within one year from the end of the month in which warrant relating to the search is executed
- (4) The law governing taxation of firms has been rationalised and the distinction between registered and unregistered firms has been removed
- (5) The tax deduction at source provisions have been widened to include TDS on fees for professional and technical services, income in respect of units and rent. Further existing TDS provisions have been extended to cover persons engaged in advertising, broadcasting, telecasting, catering etc.
- (6) An authority for advance rulings has been constituted to give ruling on a question of law or fact in relation to a transaction undertaken or proposed to be undertaken by a Non-Resident
- (7) A simplified form filing return of income as introduced in the case of specified categories consisting of small income groups
- (8) As a measure to encourage voluntary disclosure of income instructions have been issued that in cases where more than 35% increase in income is shown over the returned income of preceding year, the case should not be taken up for scrutiny
- (9) Computerisation process has been initiated and serious efforts are being

made to issue Permanent Account Number and Tax Deduction Number through this process.

- (10) Committees were constituted to examine provisions relating to charitable, trusts, exemptions capital gains, etc. The reports submitted by these Committees are under consideration.

Bad Debt Accounts

*58. SHRI PAWAN DIWAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has issued any directions to banks some time back regarding bad debt accounts and agreement related proposals;

(b) if so, the details thereof;

(c) whether any bank has violated the above directions; and

(d) if so, the details thereof and the action taken or proposed to be taken in regard thereto?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b) Yes, Sir. Reserve Bank of India (RBI) issued guidelines, in July 1995 in terms of these guidelines, RBI has advised commercial banks to ensure recovery of dues to the maximum extent, make a distinction between wilful and non-wilful defaulters, evaluate the realisability of the security, take into account the benefits that will accrue on recycling of funds locked up, fix accountability where staff lapses are noticed, etc. RBI also urged banks to management to ensure that there should not be any significant deviations from the general principles of compromises/write offs and that write-off decisions should be judicious and in the best interest of the bank

(c) and (d) RBI has reported that during the course of annual financial inspection of public sector banks with reference to their position as on 31-3-1994 and 31-3-1995, a scrutiny of top ten compromise settlements/write-offs and compromise settlements/write-offs involving a sacrifice of Rs 1 crore and above respectively was conducted by RBI's inspecting officers. The scrutiny reports did not indicate any malafide intention on the part of staff/executives of the banks. The compromise settlements/write-offs approved by banks were also generally in conformity with RBI's guidelines as also policy/procedure laid down by the respective banks. However, certain deficiencies, such as, non-examination of staff accountability aspect, non-compilation of up-to-date credit reports on the net-worth of borrowers/guarantors, not obtaining of latest independent value of securities available, inadequate follow-up for recovery as per the terms of

compromise settlements etc., were observed in some cases. The deficiencies observed are brought to the notice of the respective banks by RBI for compliance/rectification.

Foreign Debt

*59. SHRI NAWAL KISHORE RAI :

PROF PREM SINGH CHANDUMAJRA :

Will the Minister of FINANCE be pleased to state

(a) whether the burden of debt has been constantly increasing on the Government for the last few years;

(b) if so, the total amount thereof during the year 1991-92 and the estimated amount of such debt by the end of the year 1995-96;

(c) the year-wise amount of foreign debt out of it during the above period.

(d) the year-wise amount of interest paid by the Government on internal and external debt during the above period separately, and

(e) the concrete measures taken by the Government to remain out from the debt trap?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (d) Year-wise amount of domestic and external debt of the Government and interest paid on domestic and external debt during 1991-92 to 1995-96 is given at the enclosed statement. Both the domestic and external debt of the Government have shown increases over the years. In regard to external debt, it may be noted that a large part of the debt is on concessional terms. To that extent, the burden of external debt of Government is moderated.

(e) The policies of the Government aim at reducing fiscal deficit by restricting expenditure, mobilising revenues through sound tax policies and increasing the efficiency of public sector enterprises. In regard to external debt, measures are being taken to mobilise non-debt creating capital inflows. Measures are also being taken to improve productivity and competitiveness of domestic industry and to maintain a realistic exchange rate in order to ensure sustained and strong growth of exports.

STATEMENT

Central Government Debt

(In Rupees Crores)

Year	Domestic Debt *	External Debt@		Total Debt		Invest Paid on		
		At book value	At year-end exchange rate	Ext. debt at Book value	Ext. debt at year-end exchange rate	Domestic debt	External debt	Total debt
1991-92	317414	36948	109677	354362	427091	23892	2704	26596
1992-93	359355	42269	1209798	401624	480334	27546	3529	31075
1993-94	430323	47345	127798	477668	558121	33017	3724	36741
1994-95	487383	50928	142514	538311	629887	40023	4026	44049
1995-96	552744	522666	148387	605410	701131	47101	4899	52000

(RE)

* Comprises "internal debt" and "other liabilities"

@ on government account

[English]

Development of Ports

*60. SHRI K. P. SINGH DEO : Will the Minister of SURFACE TRANSPORT be pleased to state

(a) the main features of the development of Ports carried out during the last three years.

(b) the funds allocated/utilised in this regard during the Eighth Five Year Plan and

(c) the details of modernisation facilities of Ports and updated technology achieved so far?

THE MINISTER OF SURFACE TRANSPORT (SHRI T. G. VENKATRAMAN) : (a) During the last three years, a number of projects relating to construction of multi-purpose/general cargo berths, coal jetties and deepening of channel have been commissioned, raising the total cargo handling capacity of the Major Ports from 171 million tonnes to 177 million tonnes. In addition, two virtual jetties for handling POL